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June 17, 2013

Honorable Senator Mark R. Warner
US. Senate Committee On Commerce,
Science & Transportation
475 Russell Senate Office Building
Washington, DC 20510

Dear Senator Mark R. Warner:

RE: Interoperability in the 600 MHz Spectrum and 700 MHz Spectrum Band.

I appreciate your time as a Senator over the recent years. I believe that you truly understand the problems that small business face in the wireless industry.

My name is Vincent McBride I am the managing member of McBride Spectrum Partners. We purchased the Pittsburgh A Block licenses in the 2008 700 MHz spectrum auction. The license covers the Greater Metropolitan Pittsburgh area and northern West Virginia. Pittsburgh Mobile is the service name for the company we are planning to build.

As a Mailman for the U.S. Postal Service, I became involved in the wireless business as a member of a partnership that filed applications for cellular phone licenses in the FCC lotteries in 1989. The partnership prepared and filed multiple applications for the FCC lotteries but was unsuccessful in winning any licenses.



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I then entered the very first FCC spectrum auctions in 1995 called the “Entrepreneurs C Block Auction.” I was excited to win a small license for Williston, North Dakota, even though there were more buffalos than people living in the Williston market area. Soon after, this

experience turned into worry and despair when the biggest winners in the auction; companies like NextWave and Pocket Communications failed to make their interest payments on time and then filed for bankruptcy. I then had no choice but to return my license back to the FCC, losing both my deposit and my interest payment.

Nevertheless, I have learned early on in life as a fisherman off the east coast of Brooklyn the value of patience and never giving up. I was determined to win a license and build a cellular phone company. I was eventually successful in winning licenses in FCC auction number 22, 35, 47, 49 and 73. Pittsburgh Mobile now controls the A Block license for the Pittsburgh area market, which is large enough to build the company that I have envisioned 22 years ago.

The main barrier that is currently standing in the way is, “**Interoperability**” you don't have to be a dropout from Wharton business school to know that it makes no sense to build a mobile network without the ability to offer your customers national roaming. Developing a sound business case without interoperability is almost impossible. Today's customers demand a choice of the latest in mobile phones and devices. Our customers would be limited to making only local telephone calls. The lack of interoperability is preventing the A Block licensees from enjoying the benefits of a healthy LTE network ecosystem. Small businesses are being squeezed by pure economies of scale into a position of great disadvantage. The lack of interoperability in the 700 MHz band is an absolute **barrier to entry** for



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small businesses.

History illustrates the dangers of allowing a few companies to achieve a dominant position in any one industry. AT&T and Verizon now control the 700 MHz ecosystem and dictate to the OEM's like Qualcomm to build specific chips, network equipment and devices that work only in the spectrum bands that AT&T and Verizon own which are not interoperable with the 700 MHz A Block band 12. It is clear as a bell that interoperability was premeditated and deliberately designed and created to circumvent the FCC data roaming mandate and to lock out the competition from offering nationwide roaming. This kind of anti-competitive behavior is a death sentence to small carriers and will crush the competition, making it impossible for any small wireless company to survive. AT&T, the former telephone monopoly was dismantled by an antitrust lawsuit filed by the U.S. Justice Department in 1984 and is now trying to put "Humpty Dumpty" back together again. Following the auction in 2008 AT&T and Qualcomm and others have influenced the 3GPP standards board to rubber stamp a mischievous plan to carve-up the original band 12 into separate bands. This nefarious plan is extremely "anti-consumer" oriented and designed to usurp our valuable A Block licenses and convert them into AT&T's own private guard band on the back of small business. AT&T and Verizon together have revenues of \$250 billion and combined assets of half a trillion dollars. Competing with this oligopoly is like being trapped in the web of a two headed serpent. The competition in the wireless industry is now hanging by a thread.

Verizon is also culpable in this "anti-competitive" scheme. Verizon purchased 25 of the largest metropolitan A Block licences spending \$2.6 billion of the \$3.9 billion spent on A Block licenses in the FCC 700 MHz spectrum auction. Verizon has promised to sell these A Block licenses in

preparation to buy the AWS licenses owned by the cable companies. After closing the deal to buy the AWS licenses from the cable companies Verizon has only traded one A Block license with Leap Wireless. Verizon has purchased \$2 billion in B Block licenses which Verizon was then allowed to sell to AT&T. AT&T spent \$6.6 billion purchasing only B Block licenses in the auction. AT&T and Verizon represented over 85% of the total \$19.6 billion in gross auction bids. Verizon has now decided to jump the A Block “ship” upon which Verizon was once the captain abandoning the rest of the A Block licensees to drown without the life ring of interoperability. The A Block “ship” is quickly sinking surrounded by sharks and killer whales. Since the end of the 2008 auction the A Block licensees have been swimming in a sea of uncertainties.



The FCC Commission has an obligation as regulators of the industry to enforce policies that follow the telecommunications act. The Commission now has an opportunity to restore market balance and to foster real competition by adopting an interoperability mandate across the entire 700 MHz spectrum band. The mandate will protect the consumer’s right to choose between different mobile service providers and free small businesses from the shackles of AT&T. AT&T has stonewalled all attempts to restore interoperability in the 700 MHz band for the last four years. Instead of moving the wireless industry forward in time and keeping pace with the rest of the world AT&T has been allowed to move the entire U.S. wireless industry backwards 20 years in time. The commission must protect small businesses and the American consumers from the massive harms of such abusive behavior. The American consumers depend upon competition and interoperability is the key that unlocks the door to true competition. The sooner the commission restores interoperability in the 700 MHz band the better off, both small carriers and the American consumer will be.



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Respectfully,

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